

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION**

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JORDAN COOPER , DDS
an Individual

PLAINTIFF

V. CASE NO. _____

ANN RICHARDS MOVIE, LLC
A Texas and California Corporation
NEWCOAST ENTERTAINMENT, LLC
A Texas Limited Liability Corporation
ANN RICHARDS FILM, LLC
A Texas Limited Liability Corporation
HOME BOX OFFICE, INC. (HBO)
A New York Corporation
KEITH PATTERSON
An Individual and in his professional capacity

DEFENDANTS

COMPLAINT

COMES NOW Jordan Cooper, Plaintiff, by and through his attorney of record, and files this Complaint against Ann Richards Movie LLC, Ann Richards Film LLC, Home Box Office, Inc., Mr. Patterson individually and in his professional capacity, Newcoast Entertainment, LLC and would show the Court as follows:

A. Jurisdiction and Parties

1. Plaintiff, Jordan Cooper is a resident of Pulaski County, Arkansas.
2. Defendant, Keith Patterson is a resident of Pulaski County, Arkansas and the Managing Partner of Ann Richards Movie, LLC and Ann Richards Films, LLC.
3. Defendant, Ann Richards Movie, LLC. ("ARM") is a limited liability corporation registered in the State of Texas and California.
4. Defendant, Ann Richards Films, LLC. ("ARF") is a limited liability corporation registered in the State of Texas.
5. Defendant, Newcoast Entertainment, LLC ("Newcoast") is a limited liability company registered in Texas.

6. Defendant Home Box Office, Inc., is a New York Corporation.
7. Defendant Patterson conducts business in Arkansas on a very regular basis, solicited Arkansas residents, including the Plaintiff, to invest in ARM and the Movie, held investor meetings in Arkansas and executed investor agreements in the State of Arkansas.
8. Defendants have availed themselves of the laws and protections of the State of Arkansas.
9. Pulaski County, Arkansas is the county in which a substantial part of the events or omissions giving rise to the claim occurred.
10. This Court has jurisdiction over both all parties and the subject matter of this suit.

B. Background

11. The business of Defendants was operated through a common plan and scheme designed to conceal from Cooper, the public, and regulators the material facts set forth below. The concealment was completed, ratified and/or confirmed by each Defendant herein and each Defendant performed or has sought to benefit from the wrongful and/or tortious acts set forth herein for their own monetary gain and as a part of a common plan developed and carried out with the other Defendants.
12. Cooper alleges that each of the wrongful acts or omissions described below was performed either by each Defendant herein, named or unnamed, or ratified and adopted by each Defendant after its occurrence.
13. Further, those Defendants that did not actively perform the acts or omissions described in this Complaint did affirmatively aid and abet the other Defendants in the performance of such acts or omissions, before, during or after the fact.
14. Each Defendant herein, named or unnamed, did knowingly derive some form of profit or benefit from the acts and omissions described herein.
15. All Defendants agreed to work together in the conspiracy and/or joint enterprise

described in this Complaint based upon an express agreement among all Defendants to convert Cooper's monies and personalty in the manner described herein. Accordingly, each Defendant, named or unnamed, should be held liable for the acts and omissions of all other Defendants with respect to the causes of action set forth below.

16. Each of the Defendants herein, named or unnamed, was the agent of each of the other Defendants herein, named or unnamed, and thereby participated in all of the wrongdoing set forth below. Thus, each such Defendant is responsible for the acts, events and concealment of every other such Defendant as set forth below.
17. Defendants' scheme consisted of - and continues to consist of - numerous business designs, structures and arrangements operated by all Defendants herein.
18. Defendants intended to and did in fact convert Cooper's money and use other converted property to perpetuate their schemes.
19. Each Defendant adopted a calculated business strategy that caused misrepresentations to be made to Cooper that he was purchasing a safe investment whereby Cooper would purchase from Defendants equity and ownership in one company that owned all the associated rights to a movie about Ann Richards, and Cooper was to receive his portion of profits and royalties and all other beneficial dues (hereinafter "The Investment"). Said representations of material fact were false. Cooper relied on the misrepresentations and paid in total \$43,000.00 to purchase The Investment.

C. Factual Allegations

20. On March 31, 2011 the Parties executed an Operating Agreement for Ann Richards Movie, LLC a California entity naming Jack Lofton, Keith Patterson and Adam Fowler as Managers. The Operating Agreement ("California Operating Agreement")

is attached hereto as "Exhibit A". ARM was created to make a documentary about Ann Richards ("Film").

21. On July 18, 2011, a Certificate of Formation was filed in Texas for Ann Richards Movie, LLC.
22. Patterson would ask Cooper for increased investments for ARM over time to help fund the Film.
23. Patterson created ARF as a separate entity to be involved with the Film.
24. Patterson sold the Film to HBO. Patterson used ARF and his negotiations with HBO to secure price of \$200,000.00 and a job for himself with HBO. The job was offered to Patterson to make the purchase of the Film by HBO less costly. Patterson had a duty to sell the Film on the behalf of ARM and its investors for full price and also not to enrich himself at the expense of ARM and its investors.
25. Cooper was an early investor in Ann Richards LLC (ARM). He was promised to be named a member of the LLC by Mr. Patterson (the managing partner of ARM). He was also promised to be named as Executive Director in the credits of the movie.
26. At a later date, Plaintiff invested even more money into ARM and was given additional equity into the production. Mr. Cooper began to feel suspicious and repeatedly asked for an accounting of the Company and was repeatedly denied access to the bank records. He was not informed of business decisions including decisions to take on significant debt which diluted his equity.
27. After finally learning that the movie had been sold to HBO for two hundred thousand dollars (\$200,000.00), Mr. Cooper inquired about being paid based on the equity he had in the Company. Mr. Patterson informed him that he had borrowed money from Newcoast (who also was an equity partner in the company) and because debt was an expense, Newcoast's debt would be paid

first leaving nothing with which to pay Plaintiff. Plaintiff requested to see the loan document that was executed between ARM and Newcoast. It took months for Mr. Patterson to produce the loan agreement. Upon information and belief, Plaintiff alleges that the loan document was signed after the sale of the movie so as to pay Newcoast their full investment and have nothing left to pay Plaintiff who was entitled to the first proceeds of any sale of the movie.

28. Upon information and belief, Plaintiff also alleges that Mr. Patterson negotiated a reduced price for the sale of the movie with HBO with the caveat that HBO hire Mr. Patterson for employment with HBO. HBO was aware that Mr. Patterson was breaching his fiduciary duty of loyalty to his investors but cooperated in the scheme so the Company (HBO) could pay a reduced amount for the movie.

29. Patterson and ARM have not returned any money to Plaintiff.

COUNT 1 – CONVERSION

30. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

31. Defendants were paid Forty Three thousand dollars (\$43,000.00) for the Investment by Cooper, and the Defendants have willfully converted these designated funds for purposes other than those which were approved, and the conversion of these amounts has caused irreparable harm and damages to Cooper. Cooper requests this Honorable Court to issue its order requiring the Defendants to reimburse to him those funds wrongly converted to award to Cooper all damages permitted by law for conversion, including attorney fees and costs.

COUNT 2 - CONSPIRACY TO COMMIT CONVERSION

32. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

33. Defendants engaged in a conspiracy to convert Cooper's money.

"Conspiracy" in Arkansas is defined as "a combination of two or more persons to accomplish a purpose that is unlawful or oppressive, ... by unlawful or oppressive or immoral means or a lawful purpose unlawfully." See *Heinemann v. Hallum*, 365 Ark. 600, 609, 232 S.W. 3d 420, 26 (2006). A wrong committed as a result of a civil conspiracy is the joint wrong of all parties engaged therein. The Parties conspired to engage in the sale of equity, manufactured fraudulent debt, sold rights into the movie at an artificially low price - all were involved in this conspiracy to convert Plaintiff's investment.

COUNT 3 - INTENTIONAL MISREPRESENTATION

34. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

35. The misrepresentations made by the Defendants by and through their agents, representatives and employees were intentional, willful and malicious and were calculated to induce Cooper into investing his money with Defendants. As a direct and proximate result of the willful misrepresentations and Cooper's reliance upon the Defendants' willful misrepresentations Cooper has suffered damages which include, but are not limited to, his lost investment, the expense of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include but be not limited to loss of profits, attorney fees, interest, damages and costs.

COUNT 4 – NEGLIGENT MISREPRESENTATION

36. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

37. The misrepresentations made by the Defendants by and through their agents, representatives and employees were negligent and were calculated to induce Cooper into investing his money with Defendants. As a direct and proximate result of the negligent

misrepresentations and Cooper's reliance upon the Defendants' negligent misrepresentations Cooper has suffered damages which include, but are not limited to, the expense of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include but be not limited to loss of profits, attorney fees, interest,

COUNT 5 - FRAUDULENT CONCEALMENT

38. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

39. The Defendants, by and through their agents, representatives and employees, committed intentional, willful and malicious tortious actions for the purpose of the inducement of Cooper into investing his money with the Defendants.

40. As a direct and proximate result of Defendants' fraudulent concealment of material facts related to the investment by and through their agents, representatives and employees, Cooper has suffered lost investment, the expense of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include but be not limited to loss of profits, attorney fees, interest and fraud damages.

COUNT 6 - BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

41. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

42. The Defendants have breached that covenant of good faith and fair dealing by intentionally and/or negligently misrepresenting or omitting to disclose material facts that would have been pertinent to Cooper's decisions to enter into transactions with the Defendants.

43. As a consequence of the breaches of the covenant of good faith and fair dealing by the Defendants, Cooper has been deprived of his right to receive the

benefits of The Investment.

COUNT 7 - BREACH OF CONTRACT

44. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

45. The Defendants by and through the actions and inactions of their agents, representatives and employees, have breached their duty of fair dealing and good faith owed to Cooper due to the failure to perform according to the terms of the agreement with Cooper, both written and oral.

46. As a direct and proximate result of the aforementioned wrongful conduct of the Defendants, Cooper has suffered the expense of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include, but are not limited to, loss of profits, principal, interest, attorney fees, and costs.

COUNT 8 – INFLICTION OF EMOTIONAL DISTRESS

47. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

48. Defendants knew or should have known that their outrageous conduct would cause financial hardship on Cooper. Despite this knowledge, Defendants procured Cooper's entry into the Agreement.

49. As a direct and proximate result of the aforementioned wrongful conduct of the Defendants, Cooper has suffered of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include but are not limited to loss of profits, interest, attorney fees, and costs.

COUNT 9 – VIOLATION OF ARKANSAS SECURITIES ACT

50. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

51. The Defendants, by and through the actions and inactions of themselves,

agents, representative, and employees, have violated the Arkansas Securities Act by offering and selling non-exempt and unregistered securities to Plaintiff.

52. The Defendants have offered and sold to Plaintiff securities by means of untrue statements of a material fact or a failure to state material facts necessary to make the statements made not misleading. In addition, there were no risk disclosures.

53. As a direct and proximate result of the aforementioned wrongful conduct of the Defendants, Cooper has suffered the expense of hiring an attorney, anxiety, worry, mental and emotional distress and should be awarded damages which would include but are not limited to loss of profits, principal, interest, attorney fees, and costs.

COUNT 10 – BREACH OF FIDUCIARY DUTY

54. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

55. That as a Member of ARM, a closely held limited liability company, Patterson through ARM owed fiduciary duties to the Plaintiff.

56. Said fiduciary duties included the Duty of Loyalty, the Duty of Performance, the Duty of Accounting, the Duty of Good Faith and Fair Dealing and the Duty of Full Disclosure.

57. That ARM, through Patterson, breached these fiduciary duties resulting in damage to the Plaintiff.

COUNT 11 – PUNITIVE DAMAGES

58. Cooper reiterates and incorporates the allegations and averments contained within the hereinabove paragraphs.

59. The conduct and damages rendered by the Defendants are of such an egregious nature that Punitive damages, as determined by the Court, should be assessed to the Defendants.

60. Due to the outrageous and willful nature of Defendants' conduct and

intentional torts, punitive damages should be awarded.

WHEREFORE, PREMISES CONSIDERED, Plaintiff requests Compensatory Damages, Return of Cooper's investment, plus interest and attorney fees, Fraud damages, Punitive damages, Pre-judgment interest at 8% and all other relief and damages allowed by law.

Respectfully submitted, this the 26th day of August, 2014.

JORDAN COOPER

By and through undersigned counsel,



Jeremy Hutchinson (Ark Bar # 2006-145)

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